

## Message Text

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13

ACTION NEA-13

INFO OCT-01 ISO-00 SPC-03 SAM-01 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

INT-08 FEA-02 SCI-06 CIAE-00 COME-00 FRB-02 INR-10

NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 DODE-00 PM-07

H-03 L-03 PA-04 PRS-01 USIA-15 DRC-01 FTC-01 /182 W

----- 106230

R 081830Z FEB 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 9592

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

C O N F I D E N T I A L NEW DELHI 1999

E.O. 11652: GDS

TAGS: ENRG, IN

SUBJ: ENERGY: GOI/ESSO PARTICIPATION AGREEMENT

REF: NEW DELHI 1861

1. ESSO INDIA NEW DELHI REPRESENTATIVE INDER MALHOTRA INFORMED MINATT FEBRUARY 8 THAT GOI/ESSO MEMORANDUM OF UNDERSTANDING WAS SIGNED AS PLANNED ON FEBRUARY 7. THE FINAL DRAFT DOCUMENT IS CURRENTLY BEING REVIEWED BY THE PRINCIPALS OF BOTH PARTIES (GOI AND ESSO), AND THE FORMAL AGREEMENT-SIGNING CEREMONY CONTINUES TO BE SCHEDULED FOR FEBRUARY 12 (REFTEL).

2. REPORTEDLY, THE NEWLY-ORGANIZED FIRM WILL BE CALLED HINDUSTAN PETROLEUM CORPORATION LIMITED (HPCL). THE GOI WILL AGREE TO PURCHASE 74 PERCENT OF ESSO'S CURRENT OWNERSHIP, AND ESSO WILL HOLD 26 PERCENT AS THE CORPORATION'S MINORITY PARTNER. DOMESTIC PRODUCT MARKETING WILL  
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BE HANDLED EXCLUSIVELY BY THE GOI (POSSIBLY THROUGH THE MARKETING FACILITIES OF THE PUBLIC SECTOR INDIAN OIL

CORPORATION). ESSO HAS ALSO AGREED TO SELL 48 PERCENT OF ITS 50 PERCENT HOLDINGS IN THE GOI/ESSO JOINT VENTURE BOMBAY LUBRICATING OIL PLANT (LUBE INDIA LIMITED)--TO REDUCE OVERALL ESSO HOLDINGS IN THIS UNIT TO 26 PERCENT OF TOTAL EQUITY, AND TO THUS BRING LUBE INDIA UNDER HPCL CONTROL.

3. WE BELIEVE THAT THE GOI WILL HOLD AN OPTION TO PURCHASE ESSO'S REMAINING 26 PERCENT OWNERSHIP IN HPCL ON OR BEFORE DECEMBER 31, 1981. MEANWHILE (THROUGH 1981), ESSO WILL REMAIN AS ORGANIZATION'S CRUDE OIL SUPPLIER OF RECORD.

4. WE WILL REPORT ADDITIONAL DETAILS ON THIS TRANSACTION AS THEY DEVELOP. TO PROTECT ESSO, ALL OF THE ABOVE SHOULD BE TIGHTLY HELD.  
SCHNEIDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, AGREEMENTS, PETROLEUM, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974NEWDE01999  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** NEW DELHI 1861  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14-Aug-2002 by worrelsw>; APPROVED <26 NOV 2002 by garlanwa>  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENERGY: GOI/ESSO PARTICIPATION AGREEMENT  
**TAGS:** ENRG, IN, ESSO  
**To:** STATE  
**Type:** TE  
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